



Reprinted
March 1, 2005

HOUSE BILL No. 1797

DIGEST OF HB 1797 (Updated February 28, 2005 10:11 pm - DI 109)

Citations Affected: IC 20-12; noncode.

Synopsis: Higher education. Requires the commission for higher education to establish standards for the transfer of courses between state educational institutions. Requires state educational institutions granting four year degrees to offer to students a four year baccalaureate degree completion guarantee program. Creates the guaranteed tuition rate program. Creates a procedure for state educational institution tuition and fee increases. Specifies that active duty military personnel stationed in Indiana are eligible for resident tuition rates.

Effective: July 1, 2005.

Pond, Behning

January 19, 2005, read first time and referred to Committee on Education.
February 24, 2005, amended, reported — Do Pass.
February 28, 2005, read second time, amended, ordered engrossed.

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HB 1797—LS 7750/DI 51+



Reprinted
March 1, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1797

A BILL FOR AN ACT to amend the Indiana Code concerning
education finance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-12-0.5-8 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. The commission
3 shall have the following powers and duties:

4 (1) To develop, continually keep current, and implement a long
5 range plan for postsecondary education. In developing this plan,
6 the commission shall take into account the plans and interests of
7 the state private institutions, anticipated enrollments in state
8 postsecondary institutions, financial needs of students, and other
9 factors pertinent to the quality of educational opportunity
10 available to the citizens of Indiana. The plan shall define the
11 educational missions and the projected enrollments of the various
12 state educational institutions.

13 (2) To consult with and make recommendations to the
14 commission on vocational and technical education within the
15 department of workforce development on all postsecondary
16 vocational education programs. The commission shall biennially
17 prepare a plan for implementing postsecondary vocational

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1 education programming after considering the long range state
2 plan developed under IC 20-1-18.3-10. The commission shall
3 submit this plan to the commission on vocational and technical
4 education within the department of workforce development for its
5 review and recommendations, and shall specifically report on how
6 the plan addresses preparation for employment.

7 (3) To make recommendations to the general assembly and the
8 governor concerning the long range plan, and prepare to submit
9 drafts and proposed legislation needed to implement the plan. The
10 commission may also make recommendations to the general
11 assembly concerning the plan for postsecondary vocational
12 education under subdivision (2).

13 (4) To review the legislative request budgets of all state
14 educational institutions preceding each session of the general
15 assembly and to make recommendations concerning
16 appropriations and bonding authorizations to state educational
17 institutions, including public funds for financial aid to students by
18 any state agency. The commission may review all programs of any
19 state educational institution, regardless of the source of funding,
20 and may make recommendations to the governing board of the
21 institution, the governor, and the general assembly concerning the
22 funding and the disposition of the programs. In making this
23 review, the commission may request and shall receive, in such
24 form as may reasonably be required, from all state educational
25 institutions, complete information concerning all receipts and all
26 expenditures.

27 (5) To submit to the commission on vocational and technical
28 education within the department of workforce development for its
29 review under IC 20-1-18.3-15 the legislative budget requests
30 prepared by state educational institutions for state and federal
31 funds for vocational education. These budget requests shall be
32 prepared upon request of the budget director, shall cover the
33 period determined by the budget director, and shall be made
34 available to the commission within the department of workforce
35 development before review by the budget committee.

36 (6) To make, or cause to be made, studies of the needs for various
37 types of postsecondary education and to make recommendations
38 to the general assembly and the governor concerning the
39 organization of these programs. The commission shall make or
40 cause to be made studies of the needs for various types of
41 postsecondary vocational education and shall submit to the
42 commission on vocational and technical education within the

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department of workforce development the commission's findings in this regard.

(7) To approve or disapprove the establishment of any new branches, regional or other campuses, or extension centers or of any new college or school, or the offering on any campus of any additional associate, baccalaureate, or graduate degree, or of any additional program of two (2) semesters, or their equivalent in duration, leading to a certificate or other indication of accomplishment. After March 29, 1971, no state educational institution shall establish any new branch, regional campus, or extension center or any new or additional academic college, or school, or offer any new degree or certificate as defined in this subdivision without the approval of the commission or without specific authorization by the general assembly. Any state educational institution may enter into contractual agreements with governmental units or with business and industry for specific programs to be wholly supported by the governmental unit or business and industry without the approval of the commission.

(8) If so designated by the governor or the general assembly, to serve as the agency for the purposes of receiving or administering funds available for postsecondary education programs, projects, and facilities for any of the acts of the United States Congress where the acts of Congress require the state to designate such an agency or commission. However, this subdivision does not provide for the designation of the commission by the governor as the recipient of funds which may be provided by acts of the United States Congress, received by an agency, a board, or a commission designated by the general assembly.

(9) To designate and employ an executive officer and necessary employees, to designate the titles of the executive officer and necessary employees, and to fix the compensation in terms of the employment.

(10) To appoint appropriate advisory committees composed of representatives of state educational institutions, representatives of private colleges and universities, students, faculty, and other qualified persons.

(11) To employ all powers properly incident to or connected with any of the foregoing purposes, powers, or duties, including the power to adopt rules.

(12) To develop a definition for and report biennially to the:

(A) general assembly;

(B) governor; and

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(C) commission on vocational and technical education within the department of workforce development;

on attrition and persistence rates by students enrolled in state vocational education. A report under this subdivision to the general assembly must be in an electronic format under IC 5-14-6.

(13) To submit a report to the legislative council not later than August 30 of each year on the status of the transfer of courses and programs between state educational institutions. The report must include any changes made during the immediately preceding academic year.

(14) To direct the activities of the committee, including the activities set forth in subdivisions (15) and (16).

(15) To develop through the committee statewide transfer of credit agreements for courses that are most frequently taken by undergraduates.

(16) To develop through the committee statewide agreements under which associate of arts and associate of science programs articulate fully with related baccalaureate degree programs.

(17) To publicize by all appropriate means, including an Internet web site, a master list of course transfer of credit agreements and program articulation agreements.

(18) To establish, with the assistance of the committee, a statewide core transfer library of at least seventy (70) courses that are transferable on all campuses of the state educational institutions in accordance with the principles in section 13 of this chapter.

(19) To establish, with the assistance of the committee, articulation agreements for at least twelve (12) degree programs:

(A) for which articulation agreements apply to any campus in the Ivy Tech State College system and to Vincennes University; and

(B) that draw from liberal arts and the technical, professional, and occupational fields.

SECTION 2. IC 20-12-0.5-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 13. (a) The commission shall exercise its powers and duties under section 8 of this chapter in a manner to facilitate the use of:**

(1) the core transfer library established under section 8(18) of this chapter at state educational institutions; and

(2) at least twelve (12) degree programs established under

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section 8(19) of this chapter at Ivy Tech State College and Vincennes University.

(b) The core transfer library developed under section 8(18) of this chapter shall be developed in accordance with the following principles:

(1) Each course in the core transfer library must transfer in and apply toward meeting degree requirements in the same way as the receiving state educational institution's equivalent course.

(2) Courses in the core transfer library must draw primarily from the liberal arts but must include introductory or foundational courses in technical, professional, and occupational fields.

(3) At least seventy (70) courses must be identified for inclusion in the core transfer library. The identified courses must emphasize the courses most frequently taken by undergraduates.

(4) With respect to core transfer library courses being transferred from a state educational institution to Indiana University or Purdue University, Indiana University and Purdue University must identify transfer equivalents so that a course accepted by one (1) regional campus is accepted by all other regional campuses that offer the same transfer equivalent course.

(5) Within the Indiana University system and the Purdue University system, courses with the same course number and title must count in the same way at all campuses within the system that also offer the same course with the same course number and title.

(c) The commission shall adopt rules under IC 4-22-2 and prescribe procedures to facilitate the use of the core transfer library, including designating courses in the core transfer library in all college and university catalogs and course listings under section 8(18) of this chapter, and at least twelve (12) degree programs established under section 8(19) of this chapter.

SECTION 3. IC 20-12-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The Ball State University board of trustees, Indiana State University board of trustees, the trustees of Indiana University, the trustees of Purdue University, and the University of Southern Indiana board of trustees, each as to its respective institution, shall have the power and duty:

(1) to govern the disposition and method and purpose of use of

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the property owned, used, or occupied by the institution, including the governance of travel over and the assembly upon the property;

(2) to govern, by specific regulation and other lawful means, the conduct of students, faculty, employees, and others while upon the property owned, used, or occupied by the institutions;

(3) to govern, by lawful means, the conduct of its students, faculty, and employees, wherever the conduct might occur, to the end of preventing unlawful or objectionable acts that seriously threaten the ability of the institution to maintain its facilities available for performance of its educational activities or that are in violation of the reasonable rules and standards of the institution designed to protect the academic community from unlawful conduct or conduct presenting a serious threat to person or property of the academic community;

(4) to dismiss, suspend, or otherwise punish any student, faculty member, or employee of the institution who violates the institution's rules or standards of conduct, after determination of guilt by lawful proceedings;

(5) to prescribe the fees, tuition, and charges necessary or convenient to the furthering of the purposes of the institution, **consistent with section 12 of this chapter and IC 20-12-76**, and to collect the prescribed fees, tuition, and charges;

(6) to prescribe the conditions and standards of admission of students upon the bases as are in its opinion in the best interests of the state and the institution;

(7) to prescribe the curricula and courses of study offered by the institution and define the standards of proficiency and satisfaction within the curricula and courses established by the institution;

(8) to award financial aid to students and groups of students out of the available resources of the institution through scholarships, fellowships, loans, remissions of fees, tuitions, charges, or other funds on the basis of financial need, excellence of academic achievement, or potential achievement or any other basis as the governing board may find to be reasonably related to the educational purposes and objectives of the institution and in the best interest of the institution and the state;

(9) to cooperate with other institutions to the end of better assuring the availability and utilization of its total resources and opportunities to provide excellent educational opportunity for all persons;

(10) to establish and carry out written policies for the investment of the funds of the institution in the manner provided by

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IC 30-4-3-3; and

(11) to lease to any corporation, limited liability company, partnership, association, or individual real estate title to which is in the name of an institution or in the name of the state for the use and benefit of the leasing institution.

(b) A lease may be for such term and for such rental, either nominal or otherwise, as the board determines to be in the best interest of the institution. No lease shall be executed under this section for a term exceeding four (4) years unless the execution is approved by the governor and by the state budget agency. The universities shall be exempt from all property taxes on any real estate leased under this section, and the lessee shall be liable for property taxes on the leased real estate as if the real estate were owned by the lessee in fee simple, unless the lessee is a student living in university-owned facilities.

(c) This section shall not be construed to deny any tax exemption that a lessee would have under other laws if the lessee were the owner in fee simple of the real estate.

SECTION 4. IC 20-12-1-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 12. (a) As used in this section, "academic year" has the meaning set forth in IC 20-12-76-1.**

(b) As used in this section, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(c) A state educational institution that offers a four (4) year baccalaureate degree shall set tuition rates:

- (1) for a two (2) year period;**
- (2) after the adoption of the state's biennial budget; and**
- (3) according to the procedure set forth in subsection (d).**

(d) The following apply to a state educational institution that is setting tuition rates under subsection (c):

- (1) The state educational institution shall hold a public hearing before adopting any proposed tuition increase.**
- (2) The state educational institution shall give public notice of a hearing required by subdivision (1) at least ten (10) days before the hearing.**
- (3) A hearing required by subdivision (1) shall be held:**
 - (A) on or before May 15 of each odd numbered year; or**
 - (B) fifteen (15) days after the state budget bill is enacted into law;****whichever is later.**
- (4) After a public hearing under subdivision (1), if any, the state educational institution shall set tuition rates for each of**

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the next two (2) academic years. Tuition rates shall be set under this subdivision:

(A) on or before May 30 of the odd numbered year; or

(B) thirty (30) days after the state budget bill is enacted into law;

whichever is later.

(5) After a state educational institution's tuition rates are set under this section, the state educational institutions may adjust the tuition rates only if appropriations to the state educational institution in the state budget bill enacted into law are reduced or withheld.

(6) If a state educational institution adjusts its tuition rates under subdivision (5), the total revenue generated by the tuition adjustment must not exceed the amount by which appropriations to the state educational institution in the state budget bill enacted into law were reduced or withheld.

(e) Each state educational institution that offers a four (4) year baccalaureate degree shall:

(1) develop and offer a four (4) year baccalaureate degree completion guarantee program;

(2) report annually to the legislative council and the commission for higher education on the status of the program; and

(3) state in each annual report prepared under subdivision (2):

(A) the percentage of the state educational institution's students who are participating in the program; and

(B) the percentage of the state educational institution's students who have completed the program.

(f) An institutional decision to increase a state educational institution's tuition rates and fees by more than four percent (4%) must be:

(1) approved by at least two-thirds (2/3) of all members of the state educational institution's board of trustees; and

(2) reviewed, after the action of the state educational institution's board of trustees, by the budget committee or the legislative council.

SECTION 5. IC 20-12-19.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 19.7. Resident Tuition for Active Duty Military Personnel

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1 **Sec. 1. As used in this chapter, "state educational institution"**
 2 **has the meaning set forth in IC 20-12-0.5-1.**

3 **Sec. 2. This chapter applies to a person who is:**

- 4 (1) a nonresident of Indiana;
 5 (2) on active duty with a branch or department of the armed
 6 forces of the United States; and
 7 (3) stationed in Indiana.

8 **Sec. 3. Notwithstanding any other statute, a person described in**
 9 **section 2 of this chapter is eligible to pay the resident tuition rate**
 10 **at the state educational institution the person will attend as**
 11 **determined by the institution.**

12 SECTION 6. IC 20-12-23-2 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The board of
 14 trustees of the state university shall be nine (9) in number.

15 (b) This subsection does not apply to the student trustee appointed
 16 under IC 20-12-24-3.5. Not more than:

- 17 (1) one (1) of the trustees elected under IC 20-12-24-2; and
 18 (2) two (2) of the trustees appointed under IC 20-12-24-3;
 19 may reside in the same county.

20 (c) The trustees and their successors shall be a body politic, with the
 21 style of "The Trustees of Indiana University"; in that name to sue and
 22 be sued; to elect one (1) of their number president; to elect a treasurer,
 23 secretary, and such other officers as they may deem necessary, to
 24 prescribe the duties and fix the compensation of such officers; to
 25 possess all the real and personal property of such university for its
 26 benefit; to take and hold, in their corporate name any real or personal
 27 property for the benefit of such institution; to expend the income of the
 28 university for its benefit; to declare vacant the seat of any trustee who
 29 shall absent himself from two (2) successive meetings of the board, or
 30 be guilty of any gross immorality or breach of the bylaws of the
 31 institution; to elect a president, such professors and other officers for
 32 such university as shall be necessary, and prescribe their duties and
 33 salaries; to employ other persons as necessary; to establish programs
 34 of fringe benefits and retirement benefits for the university's officers,
 35 faculty, and other employees that may be supplemental to or in lieu of
 36 state retirement programs established by statute for public employees;
 37 to prescribe the course of study and discipline and, **subject to section**
 38 **2.5 of this chapter, the price of tuition in such university; and to make**
 39 all bylaws necessary to carry into effect the powers hereby conferred.

40 SECTION 7. IC 20-12-23-2.5 IS ADDED TO THE INDIANA
 41 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2005]: **Sec. 2.5. Beginning with the 2006-2007**

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academic year, in setting tuition prices under section 2 of this chapter, the board of trustees:

(1) must offer to resident undergraduate students in the first year they enroll in the institution a guaranteed price option for tuition under which tuition cannot be increased during the number of academic years specified under IC 20-12-76, beginning with the academic year in which the student first enrolls in the institution; and

(2) may offer to nonresident undergraduate students in the first year they enroll in the institution a guaranteed price option for tuition under which tuition cannot be increased during the number of academic years specified under IC 20-12-76, beginning with the academic year in which the student first enrolls in the institution.

The guaranteed price option must be calculated and offered in the manner provided in IC 20-12-76.

SECTION 8. IC 20-12-36-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. From and after the date of the location made as aforesaid, the corporate name of the trustees of the Indiana Agricultural College shall be "The Trustees of Purdue University"; and they shall take in charge, have, hold, possess and manage, all and singular, the property and money comprehended in said donations, as also the fund derived from the sale of the land scrip donated under said act of Congress, and the increase thereof, and all money or other property which may hereafter at any time be donated to and for the use of said institution. They shall also have power to organize said university in conformity with the purposes set forth in said act of Congress, holding their meetings at such times and places as they may agree on, a majority of their number constituting a quorum. They shall provide a seal; have power to elect all professors and teachers, removable at their pleasure; fix and regulate compensations, including programs of fringe benefits and retirement benefits that may be supplemental to or in lieu of state retirement programs established by statute for public employees; do all acts necessary and expedient to put and keep said university in operation; ~~and~~ make all bylaws, rules, and regulations required or proper to conduct and manage the same; **and, subject to section 4.5 of this chapter, set tuition rates for students of the university.**

SECTION 9. IC 20-12-36-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 4.5. Beginning with the 2006-2007 academic year, in setting tuition rates under section 4 of this**

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chapter, the board of trustees:

(1) must offer to resident undergraduate students in the first year they enroll in the institution a guaranteed price option for tuition under which tuition cannot be increased during the number of academic years specified under IC 20-12-76, beginning with the academic year in which the student first enrolls in the institution; and

(2) may offer to nonresident undergraduate students in the first year they enroll in the institution a guaranteed price option for tuition under which tuition cannot be increased during the number of academic years specified under IC 20-12-76, beginning with the academic year in which the student first enrolls in the institution.

The guaranteed price option must be calculated and offered in the manner provided in IC 20-12-76.

SECTION 10. IC 20-12-56-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) All powers, rights, privileges, duties, and obligations, statutory, contractual, or of whatever kind, conferred by law upon the State Teachers College board or Indiana State College board for the operation, maintenance, and financing of Indiana State University and its properties and facilities, or otherwise pertaining thereto, are hereby transferred and shall apply to the Indiana State University board of trustees created by this chapter and shall remain in full force and unchanged, notwithstanding the change of name of said college.

(b) All laws of a general nature referring to Indiana State Normal School, the board of trustees of Indiana State Normal School, Indiana State Teachers College, the State Teachers College Board, Indiana State College, the Indiana State College board, and to any public state normal school of the state apply to Indiana State University and the Indiana State University board of trustees with equal force and effect.

(c) Beginning with the 2006-2007 academic year, in setting tuition rates, the board of trustees:

(1) must offer to resident undergraduate students in the first year they enroll in the institution a guaranteed price option for tuition under which tuition cannot be increased during the number of academic years specified under IC 20-12-76, beginning with the academic year in which the student first enrolls in the institution; and

(2) may offer to nonresident undergraduate students in the first year they enroll in the institution a guaranteed price option for tuition under which tuition cannot be increased

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1 during the number of academic years specified under
 2 IC 20-12-76, beginning with the academic year in which the
 3 student first enrolls in the institution.

4 **The guaranteed price option must be calculated and offered in the**
 5 **manner provided in IC 20-12-76.**

6 SECTION 11. IC 20-12-57.5-11 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. ~~(Board: Body~~
 8 ~~Corporate; Powers)~~ (a) The board of trustees shall constitute a
 9 perpetual body corporate with power to:

- 10 ~~(a)~~ (1) manage, control, and operate Ball State University;
- 11 ~~(b)~~ (2) sue and be sued;
- 12 ~~(c)~~ (3) let contracts;
- 13 ~~(d)~~ (4) borrow money and issue bonds as authorized by the
- 14 ~~Indiana~~ general assembly;
- 15 ~~(e)~~ (5) prescribe conditions for admission;
- 16 ~~(f)~~ (6) grant degrees and issue diplomas or certificates;
- 17 ~~(g)~~ (7) fix laboratory, contingent, and other fees and charges;
- 18 ~~(h)~~ (8) set fines and penalties;
- 19 ~~(i)~~ (9) define the duties and provide compensation for faculty and
- 20 staff of the university, including authority to establish fringe
- 21 benefit programs, including retirement benefits which may be
- 22 supplemental to, or in lieu of, state retirement programs for
- 23 teachers or other public employees as authorized by law;
- 24 ~~(j)~~ (10) receive and administer all donations, bequests, grants,
- 25 funds, and property which are given to or provided for the
- 26 university;
- 27 ~~(k)~~ (11) promulgate rules and regulations pursuant to this chapter;
- 28 ~~(l)~~ (12) exercise all powers, rights, privileges, and duties
- 29 conferred upon the board by other laws of the general assembly;
- 30 and
- 31 ~~(m) to~~ (13) possess all other power in order to efficiently operate
- 32 the affairs of Ball State University.

33 **(b) Beginning with the 2006-2007 academic year, in setting**
 34 **tuition rates, the board of trustees:**

- 35 **(1) must offer to resident undergraduate students in the first**
- 36 **year they enroll in the institution a guaranteed price option**
- 37 **for tuition under which tuition cannot be increased during the**
- 38 **number of academic years specified under IC 20-12-76,**
- 39 **beginning with the academic year in which the student first**
- 40 **enrolls in the institution; and**
- 41 **(2) may offer to nonresident undergraduate students in the**
- 42 **first year they enroll in the institution a guaranteed price**

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option for tuition under which tuition cannot be increased during the number of academic years specified under IC 20-12-76, beginning with the academic year in which the student first enrolls in the institution.

The guaranteed price option must be calculated and offered in the manner provided in IC 20-12-76.

SECTION 12. IC 20-12-64-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The university may do the following:

- (1) Sue and be sued.
- (2) Let contracts.
- (3) Enter into cooperative agreements with other educational institutions, including agreements leading to the use of the university as a host site for an educational program administered by another college or university.
- (4) Prescribe conditions for admission.
- (5) Grant degrees and issue diplomas or certificates signifying that a course of postsecondary study has been completed or a degree has been conferred.
- (6) **Subject to subsection (b)**, fix laboratory, contingent, and other fees and charges.
- (7) Set fines and other sanctions for noncompliance with a university contract or rule.
- (8) Employ a faculty and staff for the university, define the duties of the faculty and staff, and provide compensation for the faculty and staff, including a program of fringe benefits and a program of retirement benefits that may supplement or supersede the state retirement programs established by statute for teachers or other public employees.
- (9) Receive, administer, and dispose of all donations, bequests, grants, funds, and other property that may be given to the university or otherwise acquired by the university.
- (10) Engage in research or public service that furthers an educational purpose.
- (11) Exercise all powers, rights, privileges, and duties conferred upon the university or the board by any statute enacted by the general assembly.
- (12) Adopt rules to carry out this chapter.
- (13) Exercise all other powers necessary to conduct efficiently the affairs of the university.

(b) Beginning with the 2006-2007 academic year, in setting tuition rates, the board:

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(1) must offer to resident undergraduate students in the first year they enroll in the institution a guaranteed price option for tuition under which tuition cannot be increased during the number of academic years specified under IC 20-12-76, beginning with the academic year in which the student first enrolls in the institution; and

(2) may offer to nonresident undergraduate students in the first year they enroll in the institution a guaranteed price option for tuition under which tuition cannot be increased during the number of academic years specified under IC 20-12-76, beginning with the academic year in which the student first enrolls in the institution.

The guaranteed price option must be calculated and offered in the manner provided in IC 20-12-76.

SECTION 13. IC 20-12-76 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 76. Computation of Guaranteed Tuition Rates

Sec. 1. As used in this chapter, "academic year" refers to all semesters, quarters, trimesters, summer sessions, or other similar periods of course work beginning after June 30 of a year and before July 1 of the immediately following year.

Sec. 2. As used in this chapter, "covered state educational institution" refers to the main campus, the regional campuses, and the satellite locations of the following:

- (1) Indiana University.
- (2) Purdue University.
- (3) Indiana State University.
- (4) Ball State University.
- (5) University of Southern Indiana.

Sec. 3. As used in this chapter, "tuition" refers to any mandatory tuition, including any separately stated lab or technology fees, charged in an academic year by a covered state educational institution to a resident student or nonresident student to attend, participate in, or receive academic credit for one (1) or more classes, seminars, independent studies, or other course work for which the covered state educational institution offers credit toward an undergraduate degree, excluding mandatory fees that are only incidentally related to the operating and capital expenses of providing the course work, such as a student activity fee, health center charge, or transportation charge.

Sec. 4. A covered state educational institution:

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(1) must offer to resident undergraduate students a guaranteed price option for tuition under which tuition cannot be increased during the number of academic years determined under sections 5 through 8 of this chapter, beginning with the academic year in which the student first enrolls in the institution; and

(2) may offer to nonresident undergraduate students a guaranteed price option for tuition under which tuition cannot be increased during the number of academic years determined under sections 5 through 8 of this chapter, beginning with the academic year in which the student first enrolls in the institution.

Sec. 5. A student who enrolls in a covered state university with transferred credit of less than:

(1) eight (8) credit hours of course work on a semester system; or

(2) the equivalent of eight (8) credit hours for any period of study that is longer or shorter than a semester, as determined under the rules of the covered state educational institution; is eligible to elect to apply the current guaranteed price option to four (4) consecutive academic years, beginning with the academic year in which the student first enrolls in the institution.

Sec. 6. The four (4) consecutive academic year period specified in section 5 of this chapter is increased by one-half (1/2) of a fifth consecutive academic year if, in the first academic year the student enrolls in the covered state educational institution, the student enrolled after December 31 in the academic year.

Sec. 7. If section 5 of this chapter does not apply to a student and the student transfers to a covered state educational institution from:

(1) a postsecondary educational institution that is not a covered state educational institution;

(2) another covered state educational institution; or

(3) another campus or satellite location maintained by the covered state educational institution;

the guaranteed price option is the option in effect in the academic year in which the student transfers. However, the four (4) consecutive academic year period over which tuition is guaranteed is decreased by the total number of semesters or other academic periods that the student was enrolled in the other institution.

Sec. 8. For purposes of this chapter and IC 20-12-23-2.5, IC 20-12-36-4.5, IC 20-12-56-5, IC 20-12-57.5-11, and

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IC 20-12-64-5, a student is considered first enrolled in a covered state educational institution in the first semester or other period of course work when:

(1) under the rules of the covered state educational institution, the student has been admitted as an undergraduate student eligible to receive a degree awarded by the covered state educational institution; and

(2) the student enrolls in at least:

(A) eight (8) credit hours of course work for the semester; or

(B) the equivalent of eight (8) credit hours for any period of study that is longer or shorter than a semester, as determined under the rules of the covered state educational institution.

Sec. 9. (a) A covered state educational institution may offer more than one (1) guaranteed price option for tuition. The unit to which the price applies may be an academic year, a credit hour, a semester, or another unit designated by the covered state educational institution.

(b) At least one (1) of the guaranteed price options offered to students must be denominated in the units that are ordinarily used at the covered state educational institution to bill tuition to students.

(c) The present value of the guaranteed price option offered to students may not exceed the present value of the covered state educational institution's best estimate of the projected annual tuition costs over the period that the guaranteed price option applies, using the discount rate established by the covered state educational institution. A covered state educational institution must use a discount rate that reflects reasonable assumptions about the investment opportunities available to the covered state institution over the period that the guaranteed price option applies.

(d) The guaranteed tuition price applicable to an academic year during the period in which the guaranteed price option applies must be the same as the guaranteed tuition price applicable to each of the other academic years during the period in which the guaranteed price option applies.

Sec. 10. A guaranteed price option must apply both to courses of study that are offered by the covered state educational institution in the year that the student first enrolls in the covered state educational institution and courses of study that are added after the student first enrolls in the covered state educational

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1 institution.

2 **Sec. 11.** If a covered state educational institution has a regional
3 campus or another satellite location, the covered state education
4 institution may offer a different guaranteed price rate for the main
5 campus and each regional campus or other satellite location.

6 **Sec. 12.** The guaranteed price option plan must include
7 procedures for refunding part or all of a prepaid amount in the
8 event that the student is no longer enrolled in the covered state
9 educational institution.

10 **Sec. 13. (a)** A covered state educational institution shall create
11 sufficient workpapers to identify the assumptions used and
12 demonstrate the methodology and calculations used to establish the
13 guaranteed tuition price offer by the covered state educational
14 institution.

15 **(b)** The covered state educational institution shall format the
16 workpapers prepared under subsection (a) in a form that allows a
17 reasonably informed reader to readily confirm that the guaranteed
18 tuition price offered by the covered state educational institution is
19 consistent with the assumptions and methodology used by the
20 covered state educational institution and the calculations are
21 accurate.

22 **(c)** The workpapers described in subsection (b) are public
23 records.

24 **SECTION 14. [EFFECTIVE JULY 1, 2005]** (a) The commission
25 for higher education shall complete the establishment of the initial
26 core transfer library under IC 20-12-0.5-8(18), as amended by this
27 act, for at least seventy (70) courses and the initial articulation
28 agreements for at least twelve (12) degree programs under
29 IC 20-12-0.5-8(19), as amended by this act, before July 1, 2006.
30 State educational institutions shall assist the commission for higher
31 education as necessary to comply with this SECTION.

32 **(b)** This SECTION expires June 30, 2007.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1797, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-12-0.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. The commission shall have the following powers and duties:

(1) To develop, continually keep current, and implement a long range plan for postsecondary education. In developing this plan, the commission shall take into account the plans and interests of the state private institutions, anticipated enrollments in state postsecondary institutions, financial needs of students, and other factors pertinent to the quality of educational opportunity available to the citizens of Indiana. The plan shall define the educational missions and the projected enrollments of the various state educational institutions.

(2) To consult with and make recommendations to the commission on vocational and technical education within the department of workforce development on all postsecondary vocational education programs. The commission shall biennially prepare a plan for implementing postsecondary vocational education programming after considering the long range state plan developed under IC 20-1-18.3-10. The commission shall submit this plan to the commission on vocational and technical education within the department of workforce development for its review and recommendations, and shall specifically report on how the plan addresses preparation for employment.

(3) To make recommendations to the general assembly and the governor concerning the long range plan, and prepare to submit drafts and proposed legislation needed to implement the plan. The commission may also make recommendations to the general assembly concerning the plan for postsecondary vocational education under subdivision (2).

(4) To review the legislative request budgets of all state educational institutions preceding each session of the general assembly and to make recommendations concerning appropriations and bonding authorizations to state educational institutions, including public funds for financial aid to students by any state agency. The commission may review all programs of any

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state educational institution, regardless of the source of funding, and may make recommendations to the governing board of the institution, the governor, and the general assembly concerning the funding and the disposition of the programs. In making this review, the commission may request and shall receive, in such form as may reasonably be required, from all state educational institutions, complete information concerning all receipts and all expenditures.

(5) To submit to the commission on vocational and technical education within the department of workforce development for its review under IC 20-1-18.3-15 the legislative budget requests prepared by state educational institutions for state and federal funds for vocational education. These budget requests shall be prepared upon request of the budget director, shall cover the period determined by the budget director, and shall be made available to the commission within the department of workforce development before review by the budget committee.

(6) To make, or cause to be made, studies of the needs for various types of postsecondary education and to make recommendations to the general assembly and the governor concerning the organization of these programs. The commission shall make or cause to be made studies of the needs for various types of postsecondary vocational education and shall submit to the commission on vocational and technical education within the department of workforce development the commission's findings in this regard.

(7) To approve or disapprove the establishment of any new branches, regional or other campuses, or extension centers or of any new college or school, or the offering on any campus of any additional associate, baccalaureate, or graduate degree, or of any additional program of two (2) semesters, or their equivalent in duration, leading to a certificate or other indication of accomplishment. After March 29, 1971, no state educational institution shall establish any new branch, regional campus, or extension center or any new or additional academic college, or school, or offer any new degree or certificate as defined in this subdivision without the approval of the commission or without specific authorization by the general assembly. Any state educational institution may enter into contractual agreements with governmental units or with business and industry for specific programs to be wholly supported by the governmental unit or business and industry without the approval of the commission.

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(8) If so designated by the governor or the general assembly, to serve as the agency for the purposes of receiving or administering funds available for postsecondary education programs, projects, and facilities for any of the acts of the United States Congress where the acts of Congress require the state to designate such an agency or commission. However, this subdivision does not provide for the designation of the commission by the governor as the recipient of funds which may be provided by acts of the United States Congress, received by an agency, a board, or a commission designated by the general assembly.

(9) To designate and employ an executive officer and necessary employees, to designate the titles of the executive officer and necessary employees, and to fix the compensation in terms of the employment.

(10) To appoint appropriate advisory committees composed of representatives of state educational institutions, representatives of private colleges and universities, students, faculty, and other qualified persons.

(11) To employ all powers properly incident to or connected with any of the foregoing purposes, powers, or duties, including the power to adopt rules.

(12) To develop a definition for and report biennially to the:

(A) general assembly;

(B) governor; and

(C) commission on vocational and technical education within the department of workforce development;

on attrition and persistence rates by students enrolled in state vocational education. A report under this subdivision to the general assembly must be in an electronic format under IC 5-14-6.

(13) To submit a report to the legislative council not later than August 30 of each year on the status of the transfer of courses and programs between state educational institutions. The report must include any changes made during the immediately preceding academic year.

(14) To direct the activities of the committee, including the activities set forth in subdivisions (15) and (16).

(15) To develop through the committee statewide transfer of credit agreements for courses that are most frequently taken by undergraduates.

(16) To develop through the committee statewide agreements under which associate of arts and associate of science programs articulate fully with related baccalaureate degree programs.

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(17) To publicize by all appropriate means, including an Internet web site, a master list of course transfer of credit agreements and program articulation agreements.

(18) To establish, with the assistance of the committee, a statewide core transfer library of at least seventy (70) courses that are transferable on all campuses of the state educational institutions in accordance with the principles in section 13 of this chapter.

(19) To establish, with the assistance of the committee, articulation agreements for at least twelve (12) degree programs:

(A) for which articulation agreements apply to any campus in the Ivy Tech State College system and to Vincennes University; and

(B) that draw from liberal arts and the technical, professional, and occupational fields.

SECTION 2. IC 20-12-0.5-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 13. (a) The commission shall exercise its powers and duties under section 8 of this chapter in a manner to facilitate the use of:**

(1) the core transfer library established under section 8(18) of this chapter at state educational institutions; and

(2) at least twelve (12) degree programs established under section 8(19) of this chapter at Ivy Tech State College and Vincennes University.

(b) The core transfer library developed under section 8(18) of this chapter shall be developed in accordance with the following principles:

(1) Each course in the core transfer library must transfer in and apply toward meeting degree requirements in the same way as the receiving state educational institution's equivalent course.

(2) Courses in the core transfer library must draw primarily from the liberal arts but must include introductory or foundational courses in technical, professional, and occupational fields.

(3) At least seventy (70) courses must be identified for inclusion in the core transfer library. The identified courses must emphasize the courses most frequently taken by undergraduates.

(4) With respect to core transfer library courses being

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transferred from a state educational institution to Indiana University or Purdue University, Indiana University and Purdue University must identify transfer equivalents so that a course accepted by one (1) regional campus is accepted by all other regional campuses that offer the same transfer equivalent course.

(5) Within the Indiana University system and the Purdue University system, courses with the same course number and title must count in the same way at all campuses within the system that also offer the same course with the same course number and title.

(c) The commission shall adopt rules under IC 4-22-2 and prescribe procedures to facilitate the use of the core transfer library, including designating courses in the core transfer library in all college and university catalogs and course listings under section 8(18) of this chapter, and at least twelve (12) degree programs established under section 8(19) of this chapter.

SECTION 3. IC 20-12-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The Ball State University board of trustees, Indiana State University board of trustees, the trustees of Indiana University, the trustees of Purdue University, and the University of Southern Indiana board of trustees, each as to its respective institution, shall have the power and duty:

- (1) to govern the disposition and method and purpose of use of the property owned, used, or occupied by the institution, including the governance of travel over and the assembly upon the property;
- (2) to govern, by specific regulation and other lawful means, the conduct of students, faculty, employees, and others while upon the property owned, used, or occupied by the institutions;
- (3) to govern, by lawful means, the conduct of its students, faculty, and employees, wherever the conduct might occur, to the end of preventing unlawful or objectionable acts that seriously threaten the ability of the institution to maintain its facilities available for performance of its educational activities or that are in violation of the reasonable rules and standards of the institution designed to protect the academic community from unlawful conduct or conduct presenting a serious threat to person or property of the academic community;
- (4) to dismiss, suspend, or otherwise punish any student, faculty member, or employee of the institution who violates the institution's rules or standards of conduct, after determination of guilt by lawful proceedings;

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(5) to prescribe the fees, tuition, and charges necessary or convenient to the furthering of the purposes of the institution, **consistent with section 12 of this chapter and IC 20-12-76**, and to collect the prescribed fees, tuition, and charges;

(6) to prescribe the conditions and standards of admission of students upon the bases as are in its opinion in the best interests of the state and the institution;

(7) to prescribe the curricula and courses of study offered by the institution and define the standards of proficiency and satisfaction within the curricula and courses established by the institution;

(8) to award financial aid to students and groups of students out of the available resources of the institution through scholarships, fellowships, loans, remissions of fees, tuitions, charges, or other funds on the basis of financial need, excellence of academic achievement, or potential achievement or any other basis as the governing board may find to be reasonably related to the educational purposes and objectives of the institution and in the best interest of the institution and the state;

(9) to cooperate with other institutions to the end of better assuring the availability and utilization of its total resources and opportunities to provide excellent educational opportunity for all persons;

(10) to establish and carry out written policies for the investment of the funds of the institution in the manner provided by IC 30-4-3-3; and

(11) to lease to any corporation, limited liability company, partnership, association, or individual real estate title to which is in the name of an institution or in the name of the state for the use and benefit of the leasing institution.

(b) A lease may be for such term and for such rental, either nominal or otherwise, as the board determines to be in the best interest of the institution. No lease shall be executed under this section for a term exceeding four (4) years unless the execution is approved by the governor and by the state budget agency. The universities shall be exempt from all property taxes on any real estate leased under this section, and the lessee shall be liable for property taxes on the leased real estate as if the real estate were owned by the lessee in fee simple, unless the lessee is a student living in university-owned facilities.

(c) This section shall not be construed to deny any tax exemption that a lessee would have under other laws if the lessee were the owner in fee simple of the real estate.

SECTION 4. IC 20-12-1-12 IS ADDED TO THE INDIANA CODE

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AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 12. (a)** As used in this section, "academic year" has the meaning set forth in IC 20-12-76-1.

(b) As used in this section, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(c) In each odd-numbered year, a state educational institution shall set tuition rates and fees for the two (2) academic years beginning after June 30 in the odd-numbered year. A state educational institution may adjust the tuition rates and fees for either of the two (2) academic years if any of the appropriations enacted by the general assembly for the academic year is withheld or reduced, subject to the process requirements in subsection (d).

(d) Before a state educational institution sets or adjusts tuition rates and fees under subsection (c), the state educational institution must do the following:

(1) Publish notice of the proposed tuition rates and fees. In an odd-numbered year, the notice must be published before April 15.

(2) Hold one (1) or more public meetings on a campus of the state educational institution to discuss the proposed tuition rates and fees. In an odd-numbered year, the public meetings must be held before May 15.

(3) Make public the state educational institution's decision on tuition rates and fees. In an odd-numbered year, publication of the tuition rates and fees must occur before the later of:

(A) May 15; or

(B) ten (10) days after adjournment of the general assembly.

(e) A state educational institution shall develop and offer a four (4) year baccalaureate degree completion guarantee program. The state educational institution shall report annually to the commission for higher education on the status of the program. The annual report must include the following:

(1) The percentage of students participating in the program.

(2) A comparison of four (4) year graduation rates of participating students with nonparticipating students.

SECTION 5. IC 20-12-19.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 19.7. Resident Tuition for Active Duty Military Personnel

Sec. 1. As used in this chapter, "state educational institution"

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has the meaning set forth in IC 20-12-0.5-1.

Sec. 2. This chapter applies to a person who is:

- (1) a nonresident of Indiana;**
- (2) on active duty with a branch or department of the armed forces of the United States; and**
- (3) stationed in Indiana.**

Sec. 3. Notwithstanding any other statute, a person described in section 2 of this chapter is eligible to pay the resident tuition rate at the state educational institution the person will attend as determined by the institution."

Page 6, line 32, delete "Maximum Allowable" and insert "Guaranteed".

Page 9, after line 37, begin a new paragraph and insert:

"SECTION 9. [EFFECTIVE JULY 1, 2005] (a) The commission for higher education shall complete the establishment of the initial core transfer library under IC 20-12-0.5-8(18), as amended by this act, for at least seventy (70) courses and the initial articulation agreements for at least twelve (12) degree programs under IC 20-12-0.5-8(19), as amended by this act, before July 1, 2006. State educational institutions shall assist the commission for higher education as necessary to comply with this SECTION.

(b) This SECTION expires June 30, 2007."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1797 as introduced.)

BEHNING, Chair

Committee Vote: yeas 6, nays 5.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1797 be amended to read as follows:

Page 7, delete lines 24 through 42, begin a new paragraph and insert:

"(c) A state educational institution that offers a four (4) year baccalaureate degree shall set tuition rates:

- (1) for a two (2) year period;**
- (2) after the adoption of the state's biennial budget; and**
- (3) according to the procedure set forth in subsection (d).**

(d) The following apply to a state educational institution that is setting tuition rates under subsection (c):

- (1) The state educational institution shall hold a public hearing before adopting any proposed tuition increase.**
- (2) The state educational institution shall give public notice of a hearing required by subdivision (1) at least ten (10) days before the hearing.**

(3) A hearing required by subdivision (1) shall be held:

- (A) on or before May 15 of each odd numbered year; or**
- (B) fifteen (15) days after the state budget bill is enacted into law;**

whichever is later.

(4) After a public hearing under subdivision (1), if any, the state educational institution shall set tuition rates for each of the next two (2) academic years. Tuition rates shall be set under this subdivision:

- (A) on or before May 30 of the odd numbered year; or**
- (B) thirty (30) days after the state budget bill is enacted into law;**

whichever is later.

(5) After a state educational institution's tuition rates are set under this section, the state educational institutions may adjust the tuition rates only if appropriations to the state educational institution in the state budget bill enacted into law are reduced or withheld.

(6) If a state educational institution adjusts its tuition rates under subdivision (5), the total revenue generated by the tuition adjustment must not exceed the amount by which appropriations to the state educational institution in the state budget bill enacted into law were reduced or withheld.

(e) Each state educational institution that offers a four (4) year baccalaureate degree shall:

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- (1) develop and offer a four (4) year baccalaureate degree completion guarantee program;
- (2) report annually to the legislative council and the commission for higher education on the status of the program; and
- (3) state in each annual report prepared under subdivision (2):
 - (A) the percentage of the state educational institution's students who are participating in the program; and
 - (B) the percentage of the state educational institution's students who have completed the program."

Page 8, delete lines 1 through 12.

(Reference is to HB 1797 as printed February 25, 2005.)

BEHNING

HOUSE MOTION

Mr. Speaker: I move that House Bill 1797 be amended to read as follows:

Page 8, between lines 4 and 5, begin a new paragraph and insert:

"(e) An institutional decision to increase a state educational institution's tuition rates and fees by more than four percent (4%) must be:

- (1) approved by at least two-thirds (2/3) of all members of the state educational institution's board of trustees; and**
- (2) reviewed, after the action of the state educational institution's board of trustees, by the budget committee or the legislative council."**

Page 8, line 5, delete "(e)" and insert "(f)".

(Reference is to HB 1797 as printed February 25, 2005.)

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